

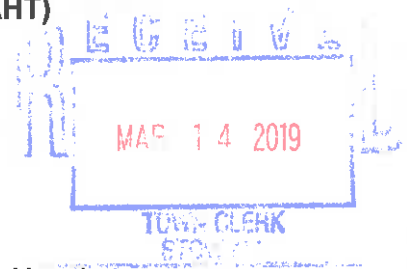
**TOWN OF STOW  
STOW MUNICIPAL AFFORDABLE HOUSING TRUST (SMAHT)**

Minutes of the February 13, 2019 SMAHT meeting

SMAHT members: Ingeborg Hegemann, Mike Kopczynski, Laura Spear

Housing Consultant: Leonardi Aray

Guests: Greg Jones, Stow Community Housing Corporation and Stow Elderly Housing Corporation, and Sean Griffin, Regency of Stow



**Call to Order**

The meeting was called to order at 7:06 PM.

**1. Meeting Schedule**

March 13

April 10

**2. Minutes Review & Approval**

Ingeborg moved to accept the minutes of the January 16, 2019 meeting as amended, Laura seconded, and the motion was approved unanimously.

**3. Correspondence, Bills and payments**

• **Warren letter**

The "Warren letter" refers to the Boxboro Road parcel, which will be covered later in the meeting.

Laura moved to pay invoice #180703 from Leonardi Aray Architects for \$1440, Ingeborg seconded, and the motion was approved unanimously.

SMAHT requires an annual report for grants that it issues. SMAHT received a report from Habitat for Humanity North Central Massachusetts in regards to how grant funds have been spent to date. Total funds expended to date equal \$18,103.45. Habitat NCM expects to use the remaining funds during the appeal and permitting process for the Pine Point project.

**4. Trustee Reports**

Mike said that the financial report still needed clarity. At this time, Mike estimates that we have a little more than \$100,000 in the Trust.

Mike also reported that there is still motion on the foreclosure at Villages at Stow.

The monthly housing coordinators meeting is on hold for the time being.

Metro West Collaborative Development (MWCD) has apparently hired a replacement for managing the regional housing agreement. We have not been notified yet. We also have not received a bill in a while. The funds for our portion of regional housing services provided by MWCD come from the Town's budget, not from our Trust.

SMAHT Minutes, February 13, 2019

Approved 3/13/2019

## **5. Stow Elderly Housing Corporation Update – Greg Jones**

Greg Jones reported that the latest comprehensive permit for Plantation II was appealed by the neighbors, so Stow Elderly Housing Corporation (SEHC) is not proceeding with the funding round. SEHC has also appealed the comprehensive permit, primarily for three reasons. First, cross-responsibility would make it impossible for SEHC to sell the house on the property. The second is a lack of waiver for the proposed height of the building. Third, lawyers for the banks said that requiring 100% of the units to be affordable in perpetuity would prevent them from lending to the project. This was a condition of the permit. SEHC is going to the Housing Appeals Court [Housing Appeals Committee]. SEHC thinks the neighbors' appeal is another attempt to delay the project, similar to what happened with the last permit. SEHC tried to respond to all of the objections raised in the public hearing. The \$10m project is now a \$12m project, as the septic is over 10K gallons (now 11.5K gallons) when including the new development with the original, adjoining development and will require more funding to support the extra capacity. It is likely SEHC will come back to the Community Preservation Committee for more Community Preservation Act funds as a result.

252 Great Road is a small lot with a 2-bedroom house that could become an affordable unit. SEHC needs to sell it to build the Pilot Grove II development.

The next step is to try to negotiate with the Town's attorneys to work out differences so that the appeal won't need to go to court. Separately, the abutters have raised 8 points of concern in their appeal. For either appeal, the appeal process will take 18-24 months to resolve.

Before the appeal period ran out, SEHC provided an update for the current residents of Plantation Apartments. The residents were discouraged when they heard it would take several years more should the permit be appealed. Two board members are meeting with the Town Administrator tomorrow to discuss this further.

Unlike the last permit that was appealed in 2010, SEHC is in a better position to address the neighbors' appeal.

## **6. Ridgewood Middle Income units**

Sean Griffin from Regency at Stow attended to discuss the three middle income affordable units. The units have been available for sale since August 2018. None has sold, and a couple of potential buyers have been identified, but there are issues. SMAHT has to approve any sale of a middle income unit. We could delegate approval to MWCD or another agency should we choose, but for now, we need to approve the sale ourselves.

Sean said that there are 7 affordable units in the development: 4 are for low income families at 80% of AMI. All four were sold quickly and required a lottery, as there was more demand than units. The 3 middle income units are more difficult to sell. About 20 prospective buyers have seen the units, and Regency at Stow is using MCO Housing to qualify the buyers. About ¾ of the people who came through have not gone through the qualification process.

Representatives of Regency at Stow discussed with the Planning Board if there could be a little flexibility in asset levels. Additionally, one prospect had a 1/3 interest in a vacation home, which may affect the qualification level. MCO Housing is looking into it. Another buyer wanted to put the home in a trust after purchase. The Town Planner is looking into that.

**Transfer to a trust:** Mike spoke with our legal counsel, Jon Witten, about an interested applicant who had a trust. Jon did not think a trust would disqualify the purchase. SMAHT would have to approve the initial sale into the trust and again when the trust sells the unit. We could ask MWCD to be our monitoring agent to review the trust on a yearly basis. Jon said it would be cleaner if the unit was purchased and then placed into a trust.

SMAHT discussed the role of the Department of Housing and Community Development (DHCD), but this agency is not involved with middle income units. If we allow middle income units to be put into a trust, we would need to re-advertise the units and include language about trusts, a requirement to identify the trustees, and how the trust ends – that is, the trust must sell the unit to another eligible middle income buyer.

Mike recently spoke with our state senator, Jamie Eldridge, and brought up this project. Not many people know that we have middle income units for sale. The Metropolitan Area Planning Council (MAPC) is also starting to research middle income housing. Our asset cap of \$550,000 is regarded as quite generous. Sean asked about how retirement funds are considered. We don't know. There was much discussion about middle income affordable housing in general.

Mike will contact the Town Planner about changing the language in the deed restriction about trust ownership. If the Planning Board is receptive, Leonardi will work with Kathleen O'Donnell to draft the language for SMAHT to vote on. The Planning Board will also have to approve the language. If approved, the units would need to be re-advertised with the new language.

Shared asset ownership: A potential buyer has 1/3 ownership in another property but still qualifies under the asset cap.

Laura moved to authorize the Chair to draft a letter to the Planning Board, Toll Brothers, and MCO Housing that SMAHT approves partial ownership in a vacation property so long as the Regency of Stow unit would be the primary residence and the prospective buyer meets the asset cap, Ingeborg seconded, and the motion was approved unanimously.

Asset cap changes: SMAHT would need the data to see if the asset cap is actually too low. Based on research done to date, the asset cap of \$550,000 appears to be very generous. However, more marketing may be needed to understand if a middle income unit with this asset cap is indeed a constraint. Many state housing organizations did not know that Stow had middle income affordable housing for sale. Mike is willing to work with MCO Housing as needed.

## **7. Boxborough Road Land**

The 1.86 acre parcel is located next to Pilot Grove II. It was assessed at \$248,100, and the owner is offering it to the town for \$230,000. The sense of SMAHT is that we do not have enough information to act at this time, and we currently don't have the funding. Mike will let the owner know that we appreciate the less-than-market-rate offer but that we cannot take advantage of the offer at this time.

## **8. Red Acre Land**

- **Demolition contract**
- **Pre-engineering contract**

**Demolition contract:** Leonardi issued three addendums to the Request for Quotation (RFQ), including a request to include a unit price for asbestos removal and erosion control. We received six bids, and most of the bids were responsive. Bids ranged from \$124,700 to \$32,890. Allstate and Belko were the two lowest bidders; however, Belko did not provide the unit price for the asbestos removal. Therefore, Allstate seems to have provided the lowest bid that was completely responsive. Ingeborg asked if Leonardi checked the lowest bidder's references. She is concerned about the disposal of the materials.

Laura moved to accept the bid from Allstate contingent upon review of its references, Ingeborg seconded.

SMAHT will need to confirm the asbestos. Mike is concerned with the cost. Pre-engineering funds is appropriate for building affordable housing; however, he questioned how demolition relates to affordable housing. The Highway Department had a much lower quote, but it was informal and did not address everything that was in the RFQ.

As part of the development pro forma, we could build in some of this cost. Leonardi asked MassDevelopment to see if it had funds that SMAHT could access. MassDevelopment has a site-readiness program, but it is more appropriate for downtown areas in cities. Laura said that doing this demolition work may make the project more attractive to developers. Most developers want larger-scale projects. Ingeborg asked if the Conservation Commission had funding that could apply to the demolition. The commission is already associated with the sauna demolition.

After this discussion, the motion was approved unanimously.

Leonardi will check references tomorrow and ask: Do they keep the site clean? Do they take care of their equipment? Was the site well maintained? Did they adhere to the official hours? Do they work efficiently, or do they start the work and then come back some significant time later?

We also want to be sensitive to the abutters' concerns about access. The RFQ stated that access is only from Red Acre Road through the 39-foot strip. We'll need to make sure we have good signage to show the exact entrance. There is also a requirement to have a site visit with SMAHT's housing consultant.

**Pre-engineering contract:** Leonardi did not have an update at this time.

### **9. SMAHT 2018 Annual Report**

Mike had drafted a report, but the file was corrupted when he tried to open it today. He wants to highlight some key topics and will redraft the report to include:

- Kuenelius land purchase as a model of cooperation and include the RFQ for demolition and pre-engineering
- Support for Local Action Unit approval
- Change in SMAHT's bylaws in terms of membership and amount of funds we can expend without Board of Selectmen approval
- Draft of the iSHOPP program
- Continued involvement in regional housing services, including last April's housing forum
- Continued support for the Habitat project through the public hearing process

The report is due on February 15, 2019.

Ingeborg moved to authorize the Chair to draft an article and run it by the Vice Chair for review, Laura seconded, and the motion passed unanimously.

**10. Adjourn**

Ingeborg moved to adjourn, Laura seconded, and the motion was approved unanimously. The meeting adjourned at 9:12 PM.

Respectfully submitted,  
Laura Spear, SMAHT member

*Laura Spear*  
*3/14/2019*